

**DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAI‘I
WATER BOARD MEETING**

MEETING DATE: April 26, 2016
TIME: 10:00 a.m.
PLACE: Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

- 1) CALL TO ORDER – 10:00 a.m. (*please turn cell phones off or set to silent*)
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES
 - Minutes of March 22, 2016, Public Hearing on FY 2017 Budgets and Energy CIP Rate
 - Minutes of March 22, 2016, regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)
- 5) PUNA:

A. **RESOLUTION NO. 2016-01, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR THE OLA‘A #6 PRODUCTION WELL AND 1.0 MG RESERVOIR PROJECT (FUNDED BY THE DRINKING WATER STATE REVOLVING FUND):**

(Note: Resolution requires roll call vote)

DWS submitted a loan application to fund this project with the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2006-899, OLA‘A #6 PRODUCTION WELL AND 1.0 MG RESERVOIR, and authorizes the Manager–Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$6,829,188.42.

RECOMMENDATION: It is recommended that the Water Board adopt RESOLUTION NO. 2016-01, subject to the approval of Corporation Counsel.

6) SOUTH HILO:

A. **RESOLUTION NO. 2016-02, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR THE PI‘IHONUA-KŪKŪAU RESERVOIR AND TRANSMISSION IMPROVEMENTS PROJECT (FUNDED BY THE DRINKING WATER STATE REVOLVING FUND):**

(Note: Resolution requires roll call vote)

DWS submitted a loan application to fund this project with the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 94-590, PI‘IHONUA-KŪKŪAU RESERVOIR AND TRANSMISSION IMPROVEMENTS, and

authorizes the Manager–Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$7,100,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt RESOLUTION NO. 2016-02, subject to the approval of Corporation Counsel.

B. INDEMNITY AND CONSENT TO LICENSE AGREEMENT (‘ŌLA‘A SPRING SOURCE):

Road and Highway Builders, LLC, (RHC) has executed a license agreement with the Hawai‘i Conference Foundation to use the ‘Ōla‘a Spring Source water that has been disconnected from the DWS water system.

DWS has replaced this source with a deepwell, and retains the ability to reconnect to the spring source under emergency conditions, with the consent of the Department of Health through a long-term water lease. The source will be used by RHC for dust control purposes during the construction of the Daniel K. Inouye Highway (Saddle Road) – East Side, Project No. HI SR 200(3).

This connection will be separate from the standpipe installed by Yamada & Sons, Inc. RHC’s standpipe is intended to be installed on ‘Opalipali Street within Kaūmana City Subdivision, and not along Kaūmana Drive, where Yamada & Sons, Inc.’s standpipe is located.

RECOMMENDATION: It is recommended that the Board approve the Indemnity and Consent to the License Agreement between Road and Highway Builders, LLC, and the Hawai‘i Conference Foundation, subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

C. MATERIAL BID NO. 2015-05, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR WAIMEA DEEPWELL, KEAHUOLŪ DEEPWELL, AND PI‘IHONUA #1 DEEPWELL C – TIME EXTENSION:

The contractor, Beylik Drilling and Pump Service, Inc., is requesting a contract time extension of 90 calendar days to furnish and deliver the pump and motor set for Pi`ihonua #1 Deepwell C.

Staff has reviewed the request, and is recommending approval of 70 calendar days, based on the fact that the Department issued a hold on the order of the pump cable. This action had delayed the ability of the contractor to fulfill the order in a timely manner, and was beyond the control of the contractor.

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 70 calendar days to Beylik Drilling and Pump Service, Inc., for MATERIAL BID NO. 2015-05, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR WAIMEA DEEPWELL, KEAHUOLŪ DEEPWELL, AND PI‘IHONUA #1 DEEPWELL C. If approved, the contract completion date will be revised from March 29, 2016 to June 7, 2016.

7) SOUTH KOHALA:

A. WATER TREATMENT PROPOSAL NO. 2016-02, FURNISHING AND DELIVERING POLYMERS TO WAIMEA WATER TREATMENT PLANT:

Bids for this contract were opened on April 14, 2016, at 2:00 p.m., and the following are the bid results.

Bidder	Amount
Pural Water Specialty Co., Inc.	\$198,220.53
Phoenix V LLC dba BEI Hawai'i	Non-Responsive

<u>Bidder</u>	<u>Amount</u>
Pural Water Specialty Co., Inc.	\$198,220.53
Contingency	\$151,779.47
TOTAL CONTRACT PRICE:	<u>\$350,000.00</u>

The reason for the high contingency is that due to past experiences, the dosage of polymers used in the jar testing is much lower than the actual amount used in the Water Treatment Plant. Also, as the source water's turbidity increases during the year due to unstable weather conditions, more polymers are used to meet the water quality requirements of the State of Hawai'i, Department of Health.

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2016-02, FURNISHING AND DELIVERING POLYMERS TO WAIMEA WATER TREATMENT PLANT, to Pural Water Specialty Co., Inc., for the bid price of \$198,220.53, plus \$151,779.47 in contingency, for a total contract price of \$350,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel. The contract period is from July 1, 2016, to December 31, 2017.

B. JOB NO. 2015-1022, PARKER #1 DEEPWELL REPAIR – TIME EXTENSION:

The contractor, Derrick's Well Drilling and Pump Services, LLC, is requesting a contract time extension of 90 calendar days. Staff has reviewed the request and is recommending approval of 90 calendar days, based on the fact that the Department furnished a spare pump to be used for repairs that were incomplete. This action caused the job to lose its position in the queue at the testing facility.

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 90 calendar days to Derrick's Well Drilling and Pump Services, LLC, for JOB NO. 2015-1022, PARKER #1 DEEPWELL REPAIR. If approved, the contract completion date will be revised from April 30, 2016 to July 28, 2016.

8) NORTH KONA:

A. JOB NO. 2015-1032, HALEKI'I DEEPWELL REPAIR:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting to appeal to the Board regarding DWS's denial of its recent time extension request for the above-mentioned project. For discussion and possible action.

9) SOUTH KONA:

A. 4th AMENDMENT TO WELL SITE DEVELOPMENT AGREEMENT, 1250 OCEANSIDE (HÖKULIA) WELLSITE DEVELOPMENT AGREEMENT - UPDATE:

Manager-Chief Engineer to provide status update.

10) KA‘U:

A. **PROFESSIONAL SERVICES AGREEMENT RE: HAWAIIAN OCEAN VIEW ESTATES SECOND WELL:**

Funds for planning and design for a potential second well in Hawaiian Ocean View Estates (H.O.V.E.) have been appropriated by the State. DWS, through the County, would administer the professional services. The State has appropriated funds in the amount of \$725,000.00 for the planning and design phase to the County.

RECOMMENDATION: It is recommended that the Board allow DWS to enter into a professional services contract to perform the planning and preliminary design of a second well in H.O.V.E., should the funds be allotted.

11) MISCELLANEOUS:

A. **DEDICATIONS:**

The Department has received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department’s standards, and are in acceptable condition for dedication.

1. **GRANT OF EASEMENT**

Grantor: County of Hawaii
Tax Map Key: (3) 2-4-001: 177 (portion), Lot 3-B2 (portion)

2. **GRANT OF EASEMENT**

Grantor: County of Hawaii
Tax Map Key: (3) 2-4-001: 177 (portion), Lot 3-B1 (portion)

3. **BILL OF SALE**

Seller: Hawaii Island Community Development Corporation
Tax Map Key: (3) 2-4-001: 177 (portion)
Facilities Charge: \$38,500.00 Date Paid: 1/28/2015
Final Inspection Date: 7/13/2015 Water System Cost: \$228,481.00

4. **BILL OF SALE**

Sellers: Hawaii Island Community Development Corporation
Tax Map Key: (3) 2-4-001: 177 (portion)
Facilities Charge, Date Paid, Final Inspection Date, Water System Cost: *All included in above.*

RECOMMENDATION: It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel, and that either the Chairperson the Vice-Chairperson be authorized to sign the documents.

B. **STANDPIPE SIGNUP PROCEDURES:**

(This Item was deferred from the March 22, 2016, Water Board meeting.)

Due to the ongoing dry weather conditions across the island, the Department anticipates the need to provide additional standpipe services. The Department has several vacant standpipe accounts that can be utilized, and would like to propose application procedures for discussion and implementation.

RECOMMENDATION: It is recommended that the Water Board discuss and approve the standpipe application procedures for implementation by the Department.

C. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGETS FOR FISCAL YEAR: (FY) 2017:

The Department's FY 2017 Operating Budget, totaling \$53,901,500, and 5-Year CIP Budget for FY 2017–2021, has been distributed for the Board's review. The Board may change either Budget, or adopt them as presented over two readings.

RECOMMENDATION: It is recommended that the Water Board approve the Department's FY 2017 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2017-2021 on this second of two readings.

D. POWER COST CHARGE:

Departmental power costs have declined as a result of a decline in Hawai'i Electric Light Company (HELCO) billings for electricity for the Department's wells and pumps. The Department proposes reducing the Power Cost Charge from \$1.81 to **\$1.70** per thousand gallons, to reflect a decline in power costs for the Department's wells and pumps.

In order to accept public testimony on this change, a Public Hearing shall be scheduled before the new Power Cost Charge is reduced.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on May 24, 2016, at 9:45 a.m., to receive testimony on reducing the Power Cost Charge from \$1.81 to **\$1.70**, effective June 1, 2016.

E. AMENDING DWS RULES AND REGULATIONS:

The Water Board, at its March 22, 2016, meeting, approved proposed amendments to DWS Rules and Regulations. In an effort to improve collection of balances owed the Department for water service, as well as to clarify and standardize existing rules, changes to Sections 1-1, 3-1, 3-4, 3-8, 3-10, 3-11, 3-21, 3-22, 3-27 and 4-8 were proposed.

In order to accept public testimony on this change, a Public Hearing shall be scheduled.

RECOMMENDATION: It is recommended a Public Hearing be held on June 28, 2016 at 9:30 a.m., to receive testimony on the proposed changes to the Rules & Regulations of the Department of Water Supply, County of Hawai'i.

F. UPDATE RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:

For discussion and possible action.

G. EXECUTIVE SESSION RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(2), to discuss mediation as directed by the Commission on Water Resource Management regarding the National Park Service's petition to designate Keauhou Aquifer as a Ground Water Management Area, and for the purpose of

consulting with the Water Board's attorney on questions and issues pertaining to the Water Board's powers, duties, privileges, immunities and liabilities.

H. MONTHLY PROGRESS REPORT:

Submission of Progress Report of Projects by the Department. Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

I. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

J. MANAGER-CHIEF ENGINEER'S REPORT:

The Manager-Chief Engineer will provide an update or status on the following:

- 1) Report on \$130,000.00 refund check for DWS Leak Logger/Unaccounted Water Program
- 2) Matters of interest to the Board
- 3) Recognition of Employee of the Quarter

K. CHAIRPERSON'S REPORT:

Chairperson to report on matters of interest to the Board.

12) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on May 24, 2016, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on June 28, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

13) **ADJOURNMENT**

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in this Water Board Meeting should contact Janet Snyder, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled meeting. **Notice to Lobbyists:** If you are a lobbyist, you must register with the Hawai'i County Clerk within five days of becoming a lobbyist. {Article 15, Section 2-91.3(b), Hawai'i County Code} A lobbyist means "any individual engaged for pay or other consideration who spends more than five hours in any month or \$275 in any six-month period for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials." {Article 15, Section 2-91.3(a)(6), Hawai'i County Code} Registration forms and expenditure report documents are available at the Office of the County Clerk-Council, Hilo, Hawai'i.